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WEEKLY REPORT



THE SITUATION IN SOUTH VIETNAM

27 April 1966

INTELLIGENCE AND REPORTING SUBCOMMITTEE OF THE INTERAGENCY VIETNAM COORDINATING COMMITTEE

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DIA and DOS review(s) completed.

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THE SITUATION IN SOUTH VIETNAM (21 April - 27 April 1966)

CONTENTS

	Page
THE WEEK IN PERSPECTIVE	iv
Map, South Vietnam, facing page	1
I. THE SITUATION IN SOUTH VIETNAM	1
A. POLITICAL SITUATION	1
Interest shifts to preparations for constituent assembly elections (p. 1); Ky government convenes advisory meeting on election procedures (p. 1); Buddhist hierarchy continues to declare itself satisfied with government's election gestures (p. 1); Concern over possible Buddhist domination becoming increasingly evident in non-Buddhist circles (p. 1); Ky now considering ways to preserve military influence (p. 2); Ky's views may foreshadow eventual conflict with Buddhists (p. 2); National Police Director Lieu replaced by Colonel Loan (p. 2); Economic Situation: Saigon retail price index falls (p. 3); Exchange rates generally unchanged (p. 3).	
B. MILITARY SITUATION	4
Communist activity increases but remains below 1966 weekly average (p. 4); Weekly statistics are given (p. 4);	

Page

Friendly operations increase, but enemy contacts are generally light (p. 4); Multibattalion operation ends in I Corps (p. 4); FILLMORE continues in II Corps (p. 5); Friendly operations successful in III and IV corps (p. 5); B-52s fly 14 missions (p. 5); Pilots report results of tactical air sorties (p. 5); Communist incidents increase in I Corps (p. 6); Three airfields attacked in II Corps (p. 6); Terrorism continues high in III and IV corps (p. 6); Status of transportation routes shows little change (p. 7).

Map, Transportation Routes, facing page

7

C. REVOLUTIONARY DEVELOPMENT

8

Over two thirds of provinces behind projected schedule (p. 8); US Mission report evaluates factors influencing apparent lack of progress (p. 8); Disruptive factors beyond provincial control are noted (p. 8); Success of government's civilian action programs prompting Communists to mount counterpacification program (p. 9); Captured documents reveal Viet Cong plans (p. 9); Chieu Hoi returnees show lowest weekly total since January (p. 9).

Map, North Vietnam, facing page

11

II. DEVELOPMENTS IN THE BLOC

11

Four MIGs lost in seven aerial engagements over North Vietnam (p. 11); DRV National Assembly is addressed by Ho Chi Minh and other leaders (p. 11); Hanoi responds negatively to Mansfield proposal (p. 11).

Page

III. THIRD COUNTRY DEVELOPMENTS

13

Current crisis causing GVN leaders to cancel planned trips abroad (p. 13); Government representatives attend preparatory session for Far East foreign ministers' conference (p. 13); ICC commissioners planning more frequent meetings in Hanoi (p. 13); Australian Prime Minister Holt visits South Vietnam (p. 14).

ANNEX: South Vietnam Battle Statistics-Personnel Losses (Weekly)
South Vietnam Battle Statistics-Incidents and Attacks (Weekly)

(The Weekly Report on the Situation in South Vietnam is based on contributions from CIA, DIA, and INR; it is edited and published by CIA without final coordination.)

THE WEEK IN PERSPECTIVE

Political attentions shifted during the week to preparations for constituent assembly elections. However, there was evidence of a mounting reaction in the country to recent Buddhist political tactics.

On the military front, both Communist activity and friendly operations increased during the week, but resulting contacts remained slight.

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I. THE SITUATION IN SOUTH VIETNAM

A. POLITICAL SITUATION

- 1. Political attentions shifted during the week to preparations for constituent assembly elections, although there was also evidence of a mounting reaction in the country to recent Buddhist political tactics.
- As a small step toward implementing its election decree, the Ky government last weekend convened a meeting of 47 notables and elected officials to advise on election procedures. The meeting, which included several participants sympathetic to the "struggle movement" in I Corps, voted to set up a 100-man council to draft an election law and to oversee the elections, including candidate screening. The new council, expected to be formed in the next few weeks, is to consist of an equal number of representatives from provincial and municipal councils, and of representatives from political and religious groups, plus legal experts. The means of selecting the membership were not specified, presumably leaving the government free to determine at least half of the council's composition.
- 3. The Buddhist hierarchy continues to declare itself satisfied with the government's election gestures to date. It has toned down the militancy of the "struggle movement," and has reacted mildly to an outbreak of violence late last week between demonstrators and government troops in Da Lat, despite the death there of seven persons and the arrest of nearly 100 students. The combined efforts of Buddhist leaders and I Corps commander General Dinh have restored a measure of calm to the troubled cities of Hue and Da Nang, although antigovernment elements still retain a substantial degree of local authority.
- 4. Concern that the Buddhists may dominate an elected assembly or serve as a vehicle for Communist infiltration via the ballot is becoming increasingly loud among other groups including the Catholics, the Cao Dai and Hoa Hao sects, Nationalist (VNQDD) and Dai Viet political party factions,

organized labor, and Saigon University circles. Demonstrations and oblique calls for government action against the leaders of recent disorders may be intended to provoke a reaction from the Buddhists, who already suspect these groups of operating in concert with the government to delay elections.

- 5. Premier Ky, apparently gaining confidence from the cessation of Buddhist attacks, is now considering ways to preserve a dominant military influence over the processes leading to constitutional government. He told Ambassador Lodge that a meeting of seven of the ten Directorate generals on 25 April had generally agreed to run hand-picked military candidates for seats in the constituent assembly. The Directorate reportedly feels that if the military can win a fourth of the assembly seats, this will constitute a powerful bloc around which other genuine nationalists can rally.
- 6. According to Ky, if "good men" are elected to the constituent assembly, the Directorate would be willing to see that body transform itself into a legislature. In Ky's view, however, it would still remain subordinate to the Directorate, which would be retained and possibly expanded to include some civilian leaders. Ky's remarks are the first indication of government planning with regard to the post-election period, and may foreshadow eventual conflicts with the Buddhists who envisage a government fully responsible to an elected parliament.
- Ky also moved last week to replace Colonel Lieu, considered sympathetic to ousted I Corps commander Thi and other government critics, as director of the National Police. Lieu's removal has so far caused no ripple of protest despite earlier threats by several cabinet ministers to resign if he were replaced. Lieu's successor is Military Security Service chief Colonel Loan, who has been identified with a so-called "Baby Turk" element of field-grade and junior officers who have been exerting pressure on the government for internal reforms and stronger action in I Corps. A general officer close to the "Baby Turks" characterized them as a loose association of officers sharing common backgrounds and ideas, but also noted that

they could bring effective strength to bear for a coup attempt should they decide on concerted action.

Economic Situation

- The index of retail prices in Saigon fell substantially with the easing of political tensions and the removal of the early curfew. Arrivals of imported wheat flour and increased distribution to retailers of imported condensed milk caused the prices of these items to fall. Prices of iron and steel products, fertilizers, and newsprint, however, continued to rise as a result of heavy demand and a reduction in government surveillance of importers' Rice prices also rose in spite of the operations. sale to Saigon retailers of government rice at be-The GVN minister of economy had low market prices. announced on 12 April that commencing 18 April the ministry would sell government rice at official prices, which are far below the market price, to Saigon retailers for resale. These government sales will entail a loss to the ministry of about 40 piasters per 100 kilograms because the government has been buying rice at a higher price.
- 9. In the Saigon free market, the prices of \$10 bills and gold were unchanged at 172 and 246 piasters per dollar, respectively. The price of \$10 MPC (scrip) fell by one piaster per dollar to 118. In Hong Kong, the piaster-dollar cross rate fell from 156 to 153.
- 10. After consultations with officials of the GVN Ministry of Economy and with industrial groups, the US Mission in Saigon has estimated a need for \$20 million in security stocks of essential commodities. The 29 warehouses required to stock these items will be ready by October.

B. MILITARY SITUATION

- 1. Communist-initiated activity increased during the week ending 23 April, but still remained below the 1966 weekly average of 804 incidents.
- 2. During the period there were 765 Communistinitiated incidents compared to the previous week's 607. There were 20 attacks and 570 acts of terrorism compared to last week's 17 and 463, respectively. The kill ratio favored free world forces 4.56 to 1 compared to the preceding week's 2.75 to 1. Viet Cong losses for the period were 694 killed and 89 captured. Vietnamese casualties for the period were 93 killed, 243 wounded, and 33 missing or captured—a total of 369 compared to last week's 555. United States losses for the week were 35 killed and 547 wounded—a total of 582 compared to the last period's 726. Free world losses totaled five killed and 31 wounded. The South Vietnam—ese lost 100 weapons (one crew served), and the Viet Cong lost 186 weapons (14 crew served).

	KIA	WIA	MIA/ CAPTURED	TOTAL CASUALTIES
US	35	547	0	582
ARVN	93	243	33	369
THIRD COUNTRY	5	31	0	36
VIET CONG	694		89	783

GVN/Allied Activities Forces

- 3. Friendly large- and small-unit operations as well as corresponding enemy contacts increased during the week. The contacts, except for two operations, were generally light.
- 4. In I Corps, the multibattalion US Marine/ARVN search-and-destroy Operation HOT SPRINGS/LIEN KET 36 was terminated on 23 April in Quang Ngai Province. Friendly losses were 12 killed (five USMC) and 71 wounded (33 USMC). The Viet Cong lost 252 killed, 18 captured, four suspects detained, and 113 weapons (14 crew served).

- 5. Operation FILLMORE continued in II Corps with only minor contact reported. Cumulative results of continuing Operation SU BOK, being conducted by elements of the ROK Capital Division in Binh Dinh Province, are 89 Viet Cong killed and 121 captured. Ten ROK troops have been killed and 45 wounded.
- 6. Two battalions of the US 25th Infantry Division conducted Operation KAHALA in Hau Nghai Province, III Corps, during the period 16-21 April. Final results indicated Viet Cong losses of 55 killed, two captured, and 18 weapons. There were three US killed and 45 wounded.
- 7. In IV Corps, a task force from the 21st ARVN Division terminated Operation DAN CHI 219 on 24 April. Friendly forces sustained casualties of 28 killed and 124 wounded (six US), while inflicting losses of 42 killed, six captured, and 14 weapons (two crew served) on the Viet Cong.
- 8. Free world forces conducted 110 battalion-size or larger operations during the week, 60 of them achieving contact: 36 GVN, 17 US, one ROK, and six combined. There were 27,911 small-unit operations, including 3,595 conducted by US forces. Of the 162 that achieved contact with the enemy, 109 were conducted by US units.
- 9. Fourteen B-52 Stratofortress missions utilizing 123 aircraft were flown during the week ending 24 April. The target areas were in the South Vietnam provinces of Tay Ninh, Quang Ngai, Quang Nam, and Quang Tri, as well as along the Laotian South Vietnamese border.
- 10. On 20 and 22 April, a total of 15 aircraft supported RAT MAT IV, V, and VI to prevent a possible attack on the Khe Sanh Special Forces Camp in Quang Tri Province. On 23 and 24 April, LOW STOOP I and II flew 15 aircraft in support of ground search-and-destroy Operation BIRMINGHAM, which began on 23 April.
- 11. During the period 15-21 April, approximately 2,074 tactical air strikes and armed reconnaissance sorties were flown by US Navy, Air Force, and Marine

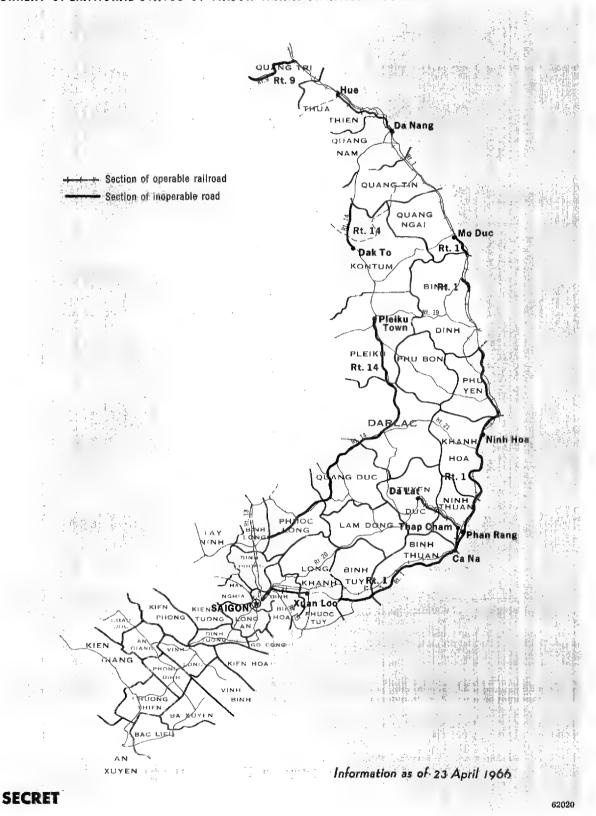
aircraft. VNAF aircraft flew additional armed reconnaissance missions. The cumulative results of these strikes as reported by the pilots included destruction of 1,541 structures, 68 sampans, 15 bunkers, 82 huts, 20 riverboats, 2 supply areas, 2 trucks and 2 AW sites. Damage was reported to 1,279 structures, 33 sampans, 13 bunkers, 132 supply areas, 14 riverboats, 2 tractors, and 1 truck.

12. Forces conducting Operation MARKET TIME searched 4,686 junks and 18,446 people during the week; 18 junks and 110 people were detained.

Communist Activity

- 13. Incidents in I Corps increased during the week. On 18 April an unknown number of Viet Cong attacked a GVN Popular Force (PF) platoon in the Demilitarized Zone; losses were not reported. Other incidents included attacks against three PF positions in Quang Ngai Province; an attack against US Marines near Chu Lai in the Quang Ngai Quang Tin province border area by an enemy force supported by mortars; and a mortar attack against US Marine positions southwest of Da Nang, Quang Nam Province.
- 14. In Pleiku Province, II Corps, the Viet Cong overran a village at the end of the Duc Co airstrip. Special forces personnel at Duc Co believed that the action is the first in a series of attempts to clear friendly inhabitants from the area prior to an attack on the camp in the coming rainy season. An Khe airfield in Binh Dinh Province received mortar fire as a cover for sabotage of two C-130 Hercules aircraft parked on the strip. The new Pleiku airfield sustained considerable damage from a Viet Cong mortar attack. The enemy weapons were placed near a friendly ammunition dump so that counter-fire could not be safely directed against them.
- 15. In III and IV corps significant activity—other than the continued high incidence of terrorism—was limited to probing attacks against two watch—towers and harassment of Xuan Loc airfield, Long Khanh Province, with mortar and small—arms fire.

Approved For Release 2003/04/24: CIA-RDP79T00825A000600010037-9 CURRENT OPERATIONAL STATUS OF MAJOR TRANSPORTATION ROUTES AND COASTAL RAILROAD



16. Lines of communication status changes include the closing of National Route 1 south of Mo Duc in Quang Ngai Province, and also in Binh Thuan Province. Route 14 is open in Binh Long Province. The national railroad is again closed between Nha Trang and Ninh Hoa in Khanh Hoa Province, but remains open from Ca Na to Thap Cham in Ninh Thuan Province.

C. REVOLUTIONARY DEVELOPMENT

- The first summary of the US Mission's new monthly joint report on revolutionary development indicates that 33 of the 45 provinces and cities reporting for the month of March are behind schedule. The standards used to evaluate progress for the first quarter of 1966 were set forth in the provincial pacification plans completed prior to 1 January 1966. Most of these plans were poorly conceived or set unrealistic goals. The mission feels that the planners could not, at the time, foresee the increases in local Viet Cong strength, the allocation of allied military forces, provincial administrative changes, the withdrawal of ARVN resources, or political disruption. Thus, the lack of achievement noted in the report may actually be somewhat overstated, and reflective in part of the planning difficulties.
- 2. Where there is a legitimate lack of pacification progress, officials place the blame largely on shortages of resources, inadequate administrative support, and certain factors outside the control of provincial officials. There seems to be a direct correlation between competent provincial administrative officials and progressive pacification activity. Changes of district and provincial technical service chiefs, inadequate training, low motivation, and low pay of cadre are particularly disruptive. Unrealistic pacification plans are due mainly to untrained provincial officials who utilize faulty administrative procedures.
- 3. Among the disruptive factors that are beyond provincial control are direct Viet Cong pressure on the revolutionary development programs, such as the harassment of cadre teams and the destruction of hamlets, the build-up of Viet Cong forces, setbacks due to the political crisis, and a general apathy of the population, especially in III and IV Corps. The lack of local forces or their inability to provide security is a constant difficulty to the field workers. It is the mission's opinion that problems associated with politics, inflation, personnel changes, and the lack of local manpower will continue, while improvements should take place in commodity distribution, financial procedures, and insufficient advisory personnel.

- 4. There is continuing evidence that the civilian action programs directed agains the Vietnamese Communists are producing defections from enemy forces, especially when coordinated with significant military operations. The number of refugees and returnees who cite a decline in the morale of the Viet Cong continues to increase. As a result, the Viet Cong are mounting counter-pacification programs.
- Specific Viet Cong plans for countering the GVN pacification effort in one of the districts of the III Corps National Priority Area around Saigon are outlined in a document captured in early 1966. Following typical Communist strategy their propagandists are instructed to stress the miserable living conditions of the people and blame this on the Americans and the government. Concrete steps to counter the GVN program include developing the People's Revolutionary Party, building the township guerrilla forces from local inhabitants, developing 10 to 15 Liberation Front associations in each hamlet, and selecting hamlet Front members for political struggle groups. These struggle groups will then organize demonstrations, which will be the primary disruptive tool. According to the document, they should protest the rising cost of living, the draft, "chemical poisons," and artillery shellings, and call for the withdrawal of US forces from Vietnam.
- 6. Dramatic evidence of the high priority the Viet Cong accord to countering revolutionary development was provided yesterday in Phuoc Tuy Province. A civic action team about six miles from the province capital was virtually annihilated by a Viet Cong attacking force of unknown size; 32 members of the team were killed.

Returnees (Chieu Hoi)

7. Only 314 returnees came in during the week ending 15 April, the lowest weekly total since mid-January. A captured document, dated January 1966, contains directions to Viet Cong unit commanders on how to counteract the Chieu Hoi program. They are told among other things to increase political indoctrination, watch personnel returning from leave,

maintain tighter control over soldiers' friends and relatives, enforce discipline more strictly, prohibit troops from picking up air-dropped leaflets, and forbid personnel from listening to GVN radio broadcasts.

8. Three North Vietnamese civilians who rallied in I Corps claim to be from a group of 150 teachers, nurses, and students who left Hanoi on 13 January 1966 for central Vietnam. They reportedly saw safeconduct passes and bomb-warning leaflets along the Ho Chi Minh trail in February, but had seen no such leaflets in North Vietnam as the police there collected and burned them. They also claimed that the group had secretly listened to Voice of America and other broadcasts from Hue and Saigon as early as 1960.

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II. DEVELOPMENTS IN THE BLOC

- 1. Seven aerial engagements between US aircraft and North Vietnamese MIGs have taken place over the Hanoi-Haiphong area since 23 April. In these engagements, two MIG-21s and two MIG-17s were downed by air-to-air missiles. The purpose of this vigorous fighter reaction by the North Vietnamese appears to be an effort to restrict US air incursions in the Hanoi-Haiphong area.
- 2. Despite US successes in the air-to-air engagements, 15 US aircraft have been lost over North Vietnam since 20 April. Four of these were lost in operations against the Bac Giang bridge.

Political Developments

- 3. The North Vietnamese regime on 25 April announced that a week-long National Assembly meeting had been convened in Hanoi on 16 April. The meeting was addressed by the most popular members of the leadership—Ho Chi Minh, Vo Nguyen Giap, and Pham Van Dong. They presented the assembly with an optimistic view of the war situation and stressed the singleness of purpose of the Vietnamese people on both sides of the 17th parallel in their struggle against US "imperialism."
- 4. The National Assembly serves as a major transmission line for getting party directives down to the people, and it usually meets twice a year. Last fall's session was canceled, however, apparently because the party leadership was engaged full time in formulating policies to cope with the new war situation. This latest meeting appears as part of the regime's effort to bolster popular morale and to prod the population into greater efforts in meeting the demands of the war situation.

Hanoi on Mansfield Proposal

5. In propaganda and public statements throughout the week, Hanoi repeatedly attacked Senator Mansfield's proposal for peace talks on Vietnam as a "new peace hoax" designed to cover up further US escalation of the war. The statements repeated Hanoi's demands for a settlement of the war, but appeared directed more at discrediting the sincerity of the Mansfield proposal than at playing up the Communist position on negotiations.

III. THIRD COUNTRY DEVELOPMENTS

A. OFFICIAL VISITS

- 1. Because of the current government crisis, many trips abroad are being canceled. Chief of State Nguyen Van Thieu notified the Chinese Embassy in Saigon that projected state visits to the Republic of China and South Korea must be postponed indefinitely. A Chinese Embassy officer quoted Thieu as saying that it was unlikely that any member of the Directorate will leave South Vietnam for ceremonial or other visits before the elections scheduled for mid-August.
- 2. Secretary general of the Directorate Chieu has canceled his visit to the United States and Canada.
- 3. Tran Van Tuyen, ambassador-designate to London and former deputy premier in the Quat government, told a US Embassy official that he had decided not to go to London to assume his duties because he feels he can play a more important role at home.

B. FAR EAST FOREIGN MINISTERS' CONFERENCE

Chargé Ty and Cao Xuan Tu from the Foreign Office represented the GVN at the 18-20 April Bangkok ambassadorial-level preparatory conference for the Far East foreign ministers' conference to be held in Seoul on 14 June. The final communique announced that the Seoul conference will consider mutual cooperation among the Asian and Pacific countries in various general and specific fields. Representatives of Australia, the Republic of China, Japan, the Republic of Korea, Malaysia, New Zealand, the Republic of the Philippines, Thailand, and the Republic of Vietnam participated in the Bangkok meeting. A Laotian representative attended the meeting as an observer.

C. ICC

Canadian ICC Commissioner Moore told a US Embassy official in Saigon that the ICC is now planning more

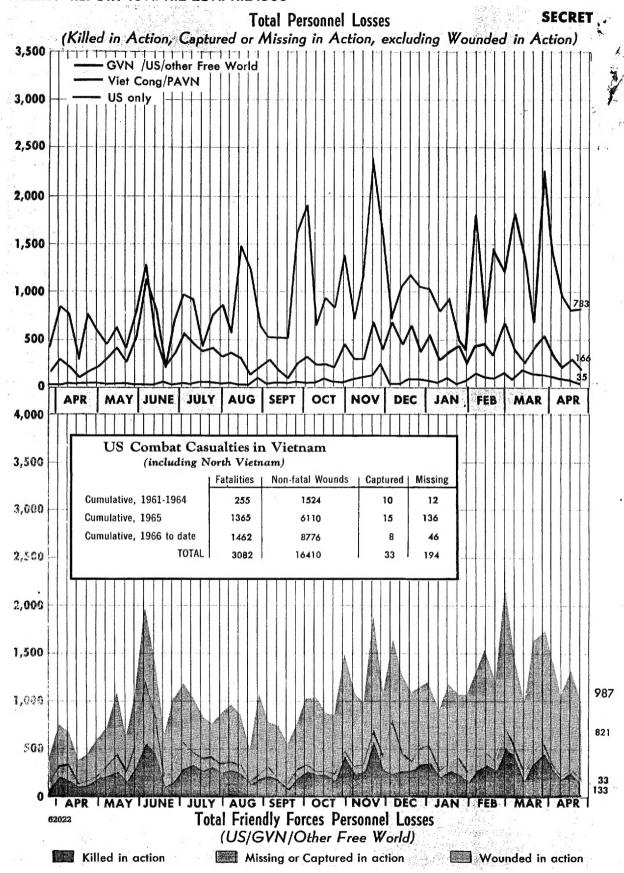
frequent meetings in Hanoi than in the past. According to Moore, the ICC commissioners would probably meet in Hanoi toward the end of May and would hold meetings there on an average of once every three months. Although the Canadians stated that the North Vietnamese wanted the ICC to meet more frequently in Hanoi, the DRV denied this, claiming that it had only been inquiring as to why the commission did not meet more often in Hanoi. In either case, the ICC has decided to act on the North Vietnamese hint.

D. AUSTRALIA

Prime Minister Harold Holt visited South Vietnam from 22-25 April, touring Australian Army and Air Force units and civilian aid activities. Meanwhile, an advance party of about 100 men from the fifth and sixth battalions of the Royal Australian Regiment arrived in Saigon preparatory to the mid-May arrival of the 4.500-man task force.

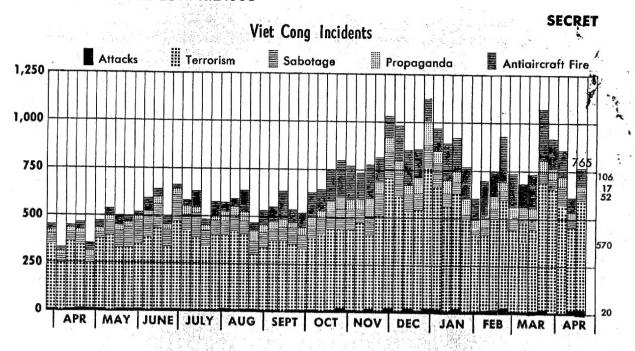
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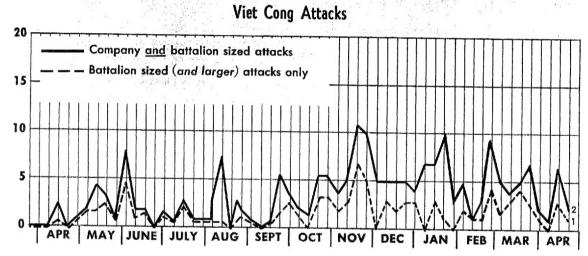
WEEKLY REPORT 16 APRIL-23 APRIL 1966

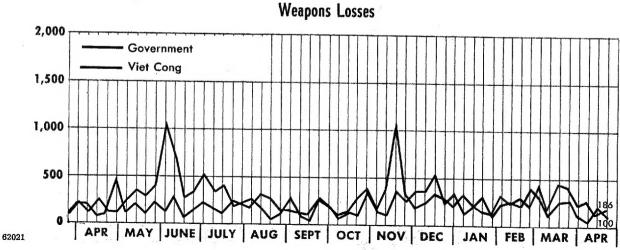


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